



1998

Manufacturing Enhancement Area
Business Booklet

This booklet contains:

Form FTB 3808, Manufacturing Enhancement Area
Credit Summary

Members of the Franchise Tax Board

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**State of California
Franchise Tax Board**

Instructions for Manufacturing Enhancement Area Businesses — Form FTB 3808

References in these instructions are to the Internal Revenue Code (IRC) as of **January 1, 1998**, and to the California Revenue and Taxation Code (R&TC).

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General Information

California has established 5 types of economic development areas that have related tax incentives:

- Enterprise Zones;
- The Los Angeles Revitalization Zone (LARZ);
- Local Agency Military Base Recovery Areas (LAMBRA);
- The Targeted Tax Area (TTA); and
- Manufacturing Enhancement Areas (MEAs).

A business may qualify for special deductions and credits if it operates or invests in a trade or business located within the geographic boundaries of one of these economic development areas.

California statutes require the Franchise Tax Board (FTB) to provide information to the California Legislature and the Trade and Commerce Agency (TCA) regarding the number of businesses using the economic development area tax incentives, types of economic development area tax incentives being used and in which economic development areas the businesses are claiming the tax incentives.

Note: In order to help us meet this requirement, please be sure to attach form FTB 3808, Manufacturing Enhancement Area Credit Summary, to your California tax return.

For information about:

- The Enterprise Zone incentives, get FTB 3805Z, Enterprise Zone Business Booklet;
- The LARZ tax incentives, get FTB 3806, Los Angeles Revitalization Zone Business Booklet;
- LAMBRA tax incentives, get FTB 3807, Local Agency Military Base Recovery Area Business Booklet; or
- The TTA tax incentives, get FTB 3809, Targeted Tax Area Business Booklet.

What's New

Conformity. In general, California tax law conforms to the Internal Revenue Code (IRC) as of January 1, 1998. However, there are continuing

differences between California and federal tax law. California has not conformed to the changes made to the IRC by the federal Internal Revenue Service Restructuring and Reform Act of 1998 (Public Law 105-206) and the Tax and Trade Relief Extension Act of 1998 (Public Law 105-277).

Principal Business Activity Code Chart

In 1998, the FTB implemented the new principal business activity (PBA) code chart that is based on the North American Industry Classification System (NAICS). The PBA code chart is provided in this booklet (pages 11 through 13) and in your California and federal tax booklets. The NAICS replaces the Standard Industrial Classification (SIC) for purposes of business classification. However, the California Revenue and Taxation Code (R&TC) still refers to the SIC codes for purposes of eligibility for the MEA incentive.

A Purpose

Use this booklet to determine the correct amount of the MEA hiring credit that a business may claim for operating or investing in a trade or business within an MEA. Complete the worksheets in this booklet for the MEA credit. Then enter the credit on form FTB 3808.

B How to Claim The Credit

To claim the hiring credit, the business **must attach** form FTB 3808 (included in this booklet) to its California tax return.

Attach a separate form FTB 3808 for each business you operate or invest in that is located within an MEA.

To assist with the processing of the tax return, indicate that the business operates or invests within an MEA by doing the following:

- Form 540 and Form 540NR filers:** Write "MEA" in the top left margin of Side 1 of Form 540 or Form 540NR.
- Form 100 filers:** Claim the MEA incentive on Form 100, line 24 through line 27, as applicable.
- Form 100S filers:** Claim the MEA incentive on Form 100S, line 23 through line 26, as applicable.
- Form 109 filers:** Check the "yes" box for the Enterprise Zone, LARZ, LAMBRA, TTA or MEA question on the top of Side 1 of Form 109.

Note: Keep all completed worksheets and supporting documents for your records.

C Manufacturing Enhancement Area Designation

MEAs were established in California to stimulate development in selected economically depressed areas. The MEA provides a hiring incentive for entities and individuals who operate or invest in a business located within a designated MEA.

Businesses operating within an MEA do not need to qualify or receive prior approval to take advantage of this special tax incentive.

Caution: The special tax incentive available to businesses operating within MEAs can only be taken for wages paid or incurred after the area is designated and before the designation expires.

Brawley and Calexico received final designation as MEAs effective October 1, 1998. Both of these towns are located in Imperial County.

D Important Considerations

The MEA tax incentive **only** applies to wages paid to employees hired on or **after** the date the area receives final designation and before the designation expires.

E Geographic Boundaries

The geographic boundaries of an MEA are used to determine whether the tax incentive is available to a business in a specified location. Further information about the geographic boundaries of an MEA is available from:

ENTERPRISE ZONE PROGRAMS
CA TRADE AND COMMERCE AGENCY
801 K STREET SUITE 1700
SACRAMENTO CA 95814
Telephone: (916) 324-8211
FAX: (916) 322-7214

If your business is located within and outside an MEA, see page 5 for instructions on how to apportion income.

F Forms Table

The titles of forms referred to in this booklet are:

Form 100	California Corporation Franchise or Income Tax Return
Form 100S	California S Corporation Franchise or Income Tax Return
Form 109	California Exempt Organization Business Income Tax Return
Form 540	California Resident Income Tax Return
Form 540NR	California Nonresident or Part-Year Resident Income Tax Return
Form 541	California Fiduciary Income Tax Return
Form 565	Partnership Return of Income
Form 568	Limited Liability Company Return of Income
Schedule CA (540)	California Adjustments — Residents
Schedule CA (540NR)	California Adjustments — Nonresidents or Part-Year Residents
Schedule P	Alternative Minimum Tax and Credit Limitations
Schedule R	Apportionment and Allocation of Income

Part I Hiring Credit

A qualified employer conducting a trade or business within an MEA may claim a hiring credit for certain disadvantaged individuals. Qualified employers must:

- Be engaged in a line of business described in SIC codes 2011 to 3999 of the Standard Industrial Classification Manual 1987 edition;
- Conduct a trade or business within the MEA;
- Have at least 50% of their workforce that was hired after the MEA designation be residents of the county in which the MEA is located at the time of hire; and
- Have at least 30% of the 50% of their workforce (or 15% of the total) be qualified disadvantaged individuals.

A "qualified disadvantaged individual" is an individual who at the time hired was:

1. A person receiving or eligible to receive subsidized employment, training or services funded by the federal Job Training Partnership Act (JTPA);
2. A person eligible to be a voluntary or mandatory registrant under the Greater Avenues for Independence Act of 1985 (GAIN);
3. A person who has been certified eligible under the federal Targeted Jobs Tax Credit Program.

An employer may claim a credit for the qualified wages paid to a qualified disadvantaged employee who:

- was hired after the MEA received its final designation (See General Information C);
- spends at least 90% of their work time on activities directly related to the conduct of a trade or business activity within the boundaries of the MEA; and
- performs at least 50% of the work within the boundaries of the MEA.

The percentage of wages used to calculate the credit depends on the number of years the employee works for the employer in the MEA. The applicable percentage begins at 50% and declines 10% for each year of employment. After the fifth year of employment, no credit is allowed.

Wages that qualify for the hiring credit are those wages paid to a qualified employee for the consecutive 60-month period beginning on the first date the employee commenced employment with the employer. For an employer that operates a business that has regularly occurring seasonal or intermittent employment decreases and increases, re-employment of an employee does not constitute commencement of employment for the qualified wages test.

The credit is based on the smaller of the following:

- The actual hourly rate paid or incurred by the employer for work performed by the employee during the taxable or income year; or
- **150% of the minimum hourly wage** established by the Industrial Welfare Commission.

Where the California minimum wage is higher than the federal minimum wage, the California minimum wage is used for purposes of computing the MEA hiring credit. The established mini-

mum wage after March 1, 1998, is \$5.75 per hour. 150% of the minimum wage is \$8.62.

Example:

Ray Jones was hired October 1, 1998, at \$8.00 per hour.

Ray's hourly rate was \$9.00 for the 3rd month. However, the hourly rate that qualifies for the credit is limited to 150% of the minimum wage, or currently \$8.62 per hour.

Month(s)	Hours	x	Hourly rate	=	Qualified wages
			per month		per month
1	170		\$8.00		\$1,360.00
2	172		8.50		1,462.00
3	170		8.62		1,465.40

Credit Limitations

- Businesses must reduce any deduction for wages by the amount of the MEA hiring credit.
- The total amount of qualified wages eligible for the MEA credit shall not exceed \$2,000,000 per taxable year.
- The amount of hiring credit claimed may not exceed the amount of tax on the MEA business income in any year. Use Worksheet III on Side 2 of form FTB 3808 to compute the credit limitation.
- In the case where an employee qualifies the business to take the MEA hiring credit as well as the LAMBRA, TTA or enterprise zone hiring credit, the business may claim only one credit.
- The business may carry over any unused hiring credit to future years until the credit is used. In the case of an S corporation, 2/3 of the credit is lost and the remaining 1/3 can be carried over if it cannot be used in the current year. For additional information about the treatment of credits for S corporations, see Part III.

Record Keeping. For each qualified employee, keep a schedule of the first 60 months (5 years) of employment showing:

- Employee name;
- Date employee was hired;
- Number of hours employee worked for each month of employment;
- Smaller of the hourly rate of pay for each month of employment, or 150% of the minimum wage;
- Location of employee's job site and duties performed;
- Total qualified wages per month for each month of employment; and
- Also, retain a copy of the certification issued by the appropriate government agency (if required) or other documentation to substantiate an individual's eligibility as a "qualified employee."

Instructions for Worksheet I — Hiring Credit & Recapture

Section A — Credit Computation

Line 1, column (a) – Enter the name of each qualified employee. Attach an additional schedule(s) if necessary.

Line 1, column (b) – Enter the qualified wages paid or incurred during the taxable or income year to each employee listed in column (a).

Line 2, column (b) – Total the amount in this column. The total amount of qualified wages eligible for the MEA credit shall not exceed \$2,000,000 per taxable year.

Line 3, column (b) – Multiply the total on line 2 by the percentage in this column.

Line 5 – The following credits reduce the MEA hiring credit in the taxable or income year these credits are accrued. Use the following worksheet to determine the amount to enter on this line.

Credit	Amount
1 California Job Tax Credit (R&TC Section 17053.7)	1 _____
2 Federal Work Opportunity Tax Credit (as in effect January 1, 1998, in IRC Section 51) for individuals hired before July 1, 1998.	2 _____
3 Total: Add line 1 and line 2. Enter on Worksheet I, Section A, line 5	3 _____

Line 6 – Enter the amount from line 6 on form FTB 3808, Side 2, Worksheet III, as follows:

- Part II, line 6B, column (b) for corporations, individuals and estates and trusts;
- Part III, line 7, column (b) for S corporations; or
- Part IV, line 8, column (b) for corporations and S corporations subject to paying only the minimum franchise tax.

Section B — Credit Recapture

Note: Generally, the recapture provision will not be applicable for taxable or income years beginning in 1998, since the MEA credit provision was not effective until October 1, 1998. The following information is being provided for future reference.

The employer must recapture the amount of credit attributable to an employee's wages if the employer terminates the employee at anytime during the longer of:

- The first 270 days of employment (whether or not consecutive); or
- 90 days of employment plus 270 calendar days.

For seasonal employees, the employer must recapture the amount of credit attributable to a seasonal employee's wages if the employer terminates employment before the completion of 270 days of employment during the 60-month period beginning the day the employee commences employment with the employer.

A "day of employment" means any day for which the employee receives wage compensation (including a paid sick day, holiday or vacation day).

The employer must add to the current year's tax the amount of credit claimed in the year of termination and all prior years in which the credit was claimed for the terminated employee.

Note: The credit recapture does not apply if the termination of employment was:

- Voluntary on the part of the employee;
- In response to misconduct of the employee;
- Caused by the employee becoming disabled, (unless the employee was able to return to

- work and the employer did not offer to re-employ the individual);
- Carried out so that other qualified individuals could be hired, creating a net increase in both the number of qualified employees and the number of hours worked; or
 - Due to a substantial reduction in the employer's trade or business operations.

Line 1, column (a) – Enter the name of the terminated employee. Attach an additional schedule(s) if necessary.

Line 1, column (b) – Enter the amount of credit recapture for each employee listed in column (a).

Line 2 – Enter the amount from line 2, column (b) on form FTB 3808, Side 1, line 3.

Also, include the amount of hiring credit recapture on your California tax return or schedule as follows:

- Form 100, Schedule J, line 5;
- Form 100S, Schedule J, line 5 and Schedule K-1 (100S), line 23;
- Form 109, Schedule K, line 4;
- Form 540, line 36;
- Form 540NR, line 45;
- Form 541, line 21b and Schedule K-1 (541), line 11e;
- Form 565, Schedule K, line 22 and Schedule K-1 (565), line 22; or
- Form 568, Schedule K, line 22 and Schedule K-1 (568), line 22.

Indicate that you included the hiring credit recapture on your tax return by writing "FTB 3808" in the space provided on the schedule or form.

Partnerships and limited liability companies (LLCs) taxed as partnerships must identify the recapture amounts for their partners and members on Schedule K-1 (565 or 568).

S corporation shareholders must recapture the portion of credit that was previously claimed, based on the terminated employee's wages. S corporations must also identify the recapture amount for shareholders on Schedule K-1 (100S). This amount will differ from the amount recaptured by the S corporation on Form 100S, Schedule J.

Worksheet I Hiring Credit & Recapture — Manufacturing Enhancement Areas

Section A Credit Computation

		Qualified wages paid or incurred for year of employment			
(a) Employee name	(b) First year	(c) Second year	(d) Third year	(e) Fourth year	(f) Fifth year
1					
2 Total. See instructions					
	.50	.40	.30	.20	.10
3 Multiply line 2 by the percentage for each column. See instructions					
4 Enter the amount from line 3, column (b)					4
5 Enter the total amount of 1998 California and federal jobs tax credits allowed for the employees shown in column (a). See instructions					5
6 Subtract the amount on line 5 from the amount on line 4 and enter the result. See instructions					6

Section B Credit Recapture

(a) Terminated employee's name	(b) Recapture amount
1	
2 Total amount of credit recapture. Add the amounts in column (b). See instructions for where to report on your California tax return	2

Part II Doing Business Totally Within or Within and Outside a Manufacturing Enhancement Area or in More than One Manufacturing Enhancement Area

The MEA tax incentive is limited to the tax on business income attributable to operations within the area. If the business is located totally within, within and outside an MEA or in more than one MEA, it must determine the portion of total business operations that are attributable to each MEA.

Use Worksheet II to determine the amount of business income apportioned to the area. The area business income determines the amount of the tax incentive that can be used.

Only California source business income is apportioned to the MEA. A taxpayer's MEA business income is its California apportioned business income multiplied by the specific MEA apportionment percentage.

The MEA property and payroll factors used in the determination of apportionable business income include only the taxpayer's California amounts in the denominator.

Note: If the business operates solely within a single MEA and all its property and payroll are solely within a single MEA, you do not have to complete this worksheet. Enter 100% (1.00) on line 4.

Business Income vs. Nonbusiness Income

Only business income is apportioned to the MEA to determine the incentive limitation. The MEA tax incentive is limited to tax on business income attributable to the operations within the MEA.

Business income is defined as income arising from transactions and activities in the regular course of the trade or business. Business income includes income from tangible and intangible property if the acquisition, management and disposition of the property constitute integral parts of the regular trade or business operations. Nonbusiness income is all income other than business income. Get Title 18 Cal. Code Regulation Section 25120 for further references and examples of nonbusiness income.

For an individual, business income includes, but is not limited to, California business income or loss from Schedules C, D, D-1 (or Form 4797, Sales of Business Property, if you did not have to file a Schedule D-1), E and F and wages. Include casualty losses, disaster losses and any business deductions reported on Schedule A as itemized deductions.

Note: If you elected to carry back part or all of your current year disaster loss under IRC Section 165(i)(1), do not include the amount of the loss that was carried back in your current year business income for the MEA.

In general, all transactions and activities of the business that are dependent upon or contribute to the operations of the economic enterprise as a whole constitute a trade or business.

When a corporation is part of a group of corporations engaged in a unitary business, the income and apportionment factors of the unitary group must be combined. For more information, get Schedule R. See the instructions for ordering forms on page 19.

Pass-through entities must report to their shareholders, beneficiaries, partners and members:

1. The distributive (or pro rata for S corporations) share of the business income apportioned to the MEA; and
2. The distributive (or pro rata for S corporations) share of the business capital gains and losses apportioned to the MEA included in item 1.

These items should be reported using the appropriate schedules listed below:

- Schedule K-1 (100S), line 23;
- Schedule K-1 (541), line 11e;
- Schedule K-1 (565), line 22; or
- Schedule K-1 (568), line 22.

Property Factor

Property is defined as the average value of all real and tangible personal property owned or rented by the business and used during the taxable or income year to produce business income.

Note: Property is included in the factor if it was available for use during the taxable or income year.

Property owned by the business is valued at its original cost. Generally, **original cost** is the basis of the property for federal income tax purposes (prior to any federal adjustment) at the time of acquisition by the business, adjusted for subsequent capital additions or improvements and partial dispositions because of sale or exchange. Allowance for depreciation is not considered.

Rented property is valued at 8 times the net annual rental rate. The net annual rental rate for any item of rented property is the total rent paid for the property, less aggregate annual subrental rates paid by subtenants.

The **numerator** of the property factor is the average value of the real and tangible personal property owned or rented by the business and used within the MEA during the taxable or income year to produce MEA business income (column (b)).

The **denominator** of the property factor is the total average value of all real and tangible personal property owned or rented and used during the taxable or income year within California (column (a)).

Payroll Factor

Payroll is defined as the total amount paid to the business's employees for compensation for the production of business income during the taxable or income year.

Compensation means wages, salaries, commissions and any other form of remuneration paid directly to employees for personal services.

Payments made to independent contractors or any other person not properly classified as an employee are excluded.

Compensation Within the Manufacturing Enhancement Area

Compensation is considered to be within the MEA if any one of the following tests is met:

- The employee's services are performed within the geographical boundaries of the MEA; or
- The employee's services are performed within and outside the MEA, but the services performed outside the MEA are incidental to the employee's service within the MEA.

Note: Incidental means any temporary or transitory service rendered in connection with an isolated transaction.

Compensation Within and Outside the Manufacturing Enhancement Area

If the employee's services are performed within and outside the MEA, the employee's compensation will be attributed to the MEA if:

- The employee's base of operations is within the MEA; or
- There is no base of operations in any other part of the state in which some part of the service is performed, but the place from which the service is directed or controlled is within the MEA.

Base of operations is the permanent place from which employees start work and customarily return in order to receive instruction from the taxpayer or communications from their customers or persons; to replenish stock or other material; to repair equipment; or to perform any other functions necessary in the exercise of their trade or profession at some other point or points.

The **numerator** of the payroll factor is the total compensation paid to employees for working within the MEA during the taxable or income year (column (b)).

The **denominator** of the payroll factor is the total compensation paid to employees working in California (column (a)).

Example – Computation of MEA income assigned to each entity operating within the MEA:

Parent Corporation A has one subsidiary, B. Corporations A and B operate within an MEA. The combined group operates within and outside California and apportions its income to California using Schedule R. The combined group's business income apportioned to California was \$1,000,000.

Business income apportioned to the MEA is determined as follows:

Property Factor	A	B	Combined
MEA property	\$2,000,000	\$1,000,000	\$3,000,000
California property			\$5,000,000
Apportionment %	40%	20%	60%
Payroll Factor			
MEA payroll	\$2,000,000	\$800,000	\$2,800,000
California payroll			\$4,000,000
Apportionment %	50%	20%	70%
Average Apportionment % (Property + Payroll Factors)	45%	20%	65%
2 Apportioned Business Income			\$1,000,000
MEA INCOME	\$ 450,000	\$ 200,000	\$ 650,000

Worksheet II Income Apportionment — Manufacturing Enhancement Area (MEA)

Use Worksheet II if your business has net income from sources within and outside an MEA.

	(a) Total within California	(b) Total within an MEA	(c) Percentage within an MEA (column (b) ÷ column (a))
PROPERTY FACTOR			
1 Average yearly value of owned real and tangible personal property used in the business (at original cost). See instructions on page 5. Exclude property not connected with the business and the value of construction in progress.			
Inventory			
Buildings			
Machinery and equipment			
Furniture and fixtures			
Delivery equipment			
Land			
Other tangible assets (attach schedule)			
Rented property used in the business.			
See instructions on page 5			
Total property values.			
PAYROLL FACTOR			
2 Employees' wages, salaries, commissions and other compensation related to business income included in the return.			
Total payroll.			
3 Total percent (sum of the percentages in column (c)) . . .			
4 Average apportionment percentage (1/2 of line 3). Enter here and on form FTB 3808, Side 1, line 2			

Note: The average apportionment percentage shown on line 4 represents the portion of the taxpayer's total business that is attributable to activities conducted within the MEA. Also, those factors with zero balances in the totals of column (a) will not be included in the computation of the average apportionment percentage. For example, if the taxpayer does not have any payroll within or outside an MEA, then the average apportionment percentage would be computed by dividing line 4 by 1 instead of by 2 as normally instructed.

Instructions for Income or Loss Worksheet

Use the Income or Loss Worksheet on the following page to determine the amount to enter on Worksheet III, Part I, line 1 and line 3.

Do not include disaster losses in any amounts used in the table.

Only California source business income is apportioned to the MEA.

The first step is to determine which portion of the taxpayer's net income is "business income" and which portion is "nonbusiness income," since only business income may be apportioned to the MEA. See Part II, Doing Business Totally Within or Within and Outside a Manufacturing Enhancement Area or in More than One Manufacturing Enhancement Area, on page 5.

Business income or loss reported on Schedules C, C-EZ, E, F and other schedules are reported on line 6 through line 9. Line 11 and line 12 report business gains or losses reported on Schedules D and D-1. All business income and losses should be adjusted for any differences between California and federal amounts as shown on the Schedule CA (540 or 540NR).

Income Computation (Use to compute MEA income for Worksheet III)

Line 6 – Line 9: If your business operation reported on Schedule C, C-EZ, E, F or other schedules is entirely in the MEA, enter the income or loss from this activity in column (a) and enter 1.00 in column (b).

Line 11 – Line 12: If the gain or loss reported on Schedule D or Schedule D-1 (as adjusted on Schedule CA (540 or 540NR)) was attributed to an asset used in an activity conducted entirely within the MEA, enter the gain or loss reported in column (a) and enter 1.00 in column (b).

Line 6 – Line 9: If your business operation reported on Schedules C, C-EZ, E, F or other schedules is entirely in California, enter the income or loss from this activity in column (a). To determine the percentage figure in column (b), complete Worksheet II. Enter the figure on Worksheet II, line 4, in column (b) of this worksheet.

Line 11 – Line 12: If the gain or loss reported on Schedule D or Schedule D-1 (as adjusted on Schedule CA (540 or 540NR)) was attributed to

an asset used in an activity conducted entirely within California, enter the gain or loss reported in column (a). To determine the percentage figure in column (b), complete Worksheet II. Enter the figure on Worksheet II, line 4 in column (b) of this worksheet.

Line 6 – Line 9: If your business operation reported on Schedules C, C-EZ, E, F or other schedules is within and outside the MEA and California, get Schedule R and complete line 1 through line 13b. Enter the figure on Schedule R, line 13b in column (a) of this worksheet. To determine the percentage figure in column (b), complete Worksheet II. Enter the figure on Worksheet II, line 4 in column (b) of this worksheet.

Note: When computing Schedule R, disregard any reference to Form 100, Form 565 or Form 568. Also, disregard any reference to Schedule R-3, Schedule R-4 or Schedule R-5, and skip line 11.

Nonresidents that have an apportioning business that operates within the area should have already computed Schedule R, and can use those amounts when that schedule is referenced. Residents that have an apportioning business will not have completed a Schedule R for California income tax purposes since they are taxed on income from all sources. However, in order for residents to determine their California source business income for purposes of the MEA calculation, they must complete a Schedule R also.

Line 11 – Line 12: If the gain or loss reported on Schedule D or Schedule D-1 (as adjusted on Schedule CA (540 or 540NR)) was attributed to an asset used in an activity conducted within and outside the MEA and California, get Schedule R and complete Schedule R-1. Multiply the gain or loss reported by the percentage on Schedule R-1, line 5 and enter the result in column (a). To determine the percentage figure in column (b), complete Worksheet II. Enter the figure on Worksheet II, line 4 in column (b) of this worksheet.

Part I Individual Income and Expense Items

Wages

Taxpayers with wages from a company located within and outside an MEA must determine the MEA wage income by entering the percentage of

their time in column (b) (during the period for which the wages entered on line 1 were earned) that they worked within the MEA. This percentage must be determined based on their record of time and events such as a travel log or entries in a daily planner.

Part II Pass-through Income or Loss

Multiple Pass-through Entities

If you are a shareholder, beneficiary, partner or member in multiple pass-through entities with businesses located within and outside an MEA from which you received an MEA incentive, see the example below for computing business income in the MEA.

Pass-through entity	Trade or business income from Schedule K-1 (100S, 541, 565 or 568)	Entity's MEA apportionment percentage	MEA apportioned income
ABC, Inc.	\$40,000	80%	\$32,000
A, B & C	30,000	10%	3,000
ABC, LLC	10,000	50%	5,000
			\$40,000

Part III Taxpayer's Trade or Business

Business Income or Loss

Use business income or loss from Form 1040 Schedules C, C-EZ, E and F, plus California adjustments from Schedule CA (540 or 540NR) for each trade or business. Also, include business capital gains and losses from Schedule D and business gains and losses from Schedule D-1.

Line 14 – If, in computing your income or loss, the result on line 14, column (c), is a **negative** amount, you do not have any business income attributable to the MEA. You cannot use any of the MEA hiring credit in the current taxable or income year.

If the amount on line 14, column (c), is a **positive** amount, enter the amount on Worksheet III, Part I, line 1 and 3 (skip line 2).

Income or Loss Worksheet — Manufacturing Enhancement Area (MEA)**Part I Individual Income and Expense Items.** See instructions.

	(a) Amount	(b) % of time providing services in the MEA	(c) Apportioned amount (a) x (b)
1 Wages			
2 Employee business expenses			
3 Subtotal: Enter the total of line 1, column (c) and line 2, column (c) in column (c), this line.			

Part II Pass-through Income or Loss. See instructions.

(a) Name of entity	(b) Distributive or pro rata share of business income or loss apportioned to the MEA from Schedule K-1 (100S, 541, 565 or 568) including capital gains and losses
4	
5 Subtotal: Enter the total of line 4, column (b) in column (b), this line	

Part III Taxpayer's Trade or Business. See instructions.

	(a) Business income or loss	(b) Apportionment % for the MEA	(c) Apportioned income or loss (a) x (b)
6 Schedule C or C-EZ.			
7 Schedule E (Rentals)			
8 Schedule F.			
9 Other business income or loss			
10 Subtotal: Enter the total of line 6 through line 9, column (c) in column (c), this line			
	(a) Business gain or loss	(b) Apportionment % for the MEA	(c) Apportioned income or loss (a) x (b)
11 Schedule D.			
12 Schedule D-1			
13 Subtotal: Enter the total of line 11, column (c) and line 12, column (c) in column (c), this line			
14 Total: Enter the total of column (c) for line 3, line 10 and line 13, and line 5, column (b) in column (c), this line . .			

Part III Computation of Credit Limitations

The amount of credit you can claim on your California tax return is limited by the amount of tax attributable to MEA income. Use Worksheet III on form FTB 3808, Side 2 to compute this limitation.

Credits you are otherwise eligible to claim may be limited. Do not apply credits against the minimum franchise tax (corporations, limited partnerships, limited liability partnerships, LLCs and S corporations), the alternative minimum tax (corporations, exempt organizations, individuals and fiduciaries), the built-in gains tax (S corporations) or the net passive income tax (S corporations).

Refer to the credit instructions in your tax booklet for more information.

S Corporations and the Application of the Manufacturing Enhancement Area Credit

An S corporation may use its MEA credit to reduce MEA tax at both the corporate and shareholders level.

An S corporation may use 1/3 of the MEA credit to reduce the tax on the S corporation's MEA income. In addition, S corporation shareholders may claim their pro rata share of the entire amount of the MEA credits calculated under the Personal Income Tax Law.

Example: In 1998, an S corporation qualified for a \$3,000 MEA hiring credit. The S corporation will be able to use 1/3 of the credit ($\$3,000 \times 1/3 = \$1,000$) to offset the tax on the corporation's MEA income.

The S corporation will also pass-through a \$3,000 credit to its shareholders to offset their individual tax (computed under the Personal Income Tax Law) on MEA income.

S corporations should attach form FTB 3808 to Form 100S, California S Corporation Franchise or Income Tax Return, to claim the tax credits. If form FTB 3808 is not attached to the return, the credit may be disallowed.

Shareholders should attach Schedule(s) K-1 (100S), Shareholder's Share of Income, Deductions, Credits, etc., to their individual tax return.

Carryover. If the amount of available credit this year exceeds your tax, you may carry over any excess credit to future years until exhausted. Apply the carryover to the earliest taxable or income year(s) possible. In no event can the credit be carried back and applied against a prior year's tax.

For S corporations, the amount of the 1/3 credit that is in excess of the 1.5% entity-level tax (3.5% for financial S corporations) in the current year may also be carried forward and used in future years to offset the S corporation entity-level tax. See the instructions for Worksheet III, Part III for more information.

Credit Code Number. To claim the MEA hiring credit on your return you must use credit code number **211**. Using an incorrect code may cause a delay in allowing the credit.

Instructions for Worksheet III — Computation of Credit Limitations

Note: Worksheet III is on Side 2 of form FTB 3808.

Partnerships and LLCs taxed as partnerships, do not complete Worksheet III. The partners and members of these types of entities should complete Worksheet III in order to determine the amount of MEA credit that they may claim on their California tax return. S corporations and their shareholders must complete Worksheet III.

Reporting Requirements of S Corporations, Estates or Trusts, Partnerships and LLCs Taxed as Partnerships

- Report to shareholders, beneficiaries, partners and members, the distributive or pro rata share of a business income, loss or deduction apportioned to the MEA; and
- Separately state any distributive share of business capital gains and losses apportioned to the area included in the amount above.

S corporations: Complete only Part I and Part III of this worksheet if your entity-level tax before credits is more than the minimum franchise tax.

Corporations and S corporations subject to the minimum franchise tax only: Complete only Part IV of this worksheet.

All others: Complete Part I and Part II of this worksheet.

Part I

Line 1 – Enter all trade or business income. See Part II on page 5 for the definition of business income.

Line 2 – If your business is located entirely within the MEA, enter 1.

Specifically, this percentage is the apportionment percentage computed by the entity using Worksheet II, Income Apportionment, and represents the percentage of the entity's business attributable to the MEA.

Line 3 – If the amount on line 3 is negative, you cannot use the incentive to offset the current year tax liability. Enter -0- on line 5. The carry-over of the unused incentives is allowed as provided. See the specific incentive for further information.

Line 4a – Compute the tax as if the MEA taxable income represented all of your taxable income.

Individuals: Use the tax table or tax rate schedule for your filing status in your tax booklet.

Exempt organizations: Use the applicable tax rate in your tax booklet.

Corporations and S corporations: Use the applicable tax rate.

Example (Determination of MEA Income for Shareholders, Partners or Members of Pass-through Entities):

Ray Smith is vice president of ABC, Inc., an S corporation that has two locations: one within an MEA and one outside an MEA. Eighty percent (80%) of the S corporation's business is attributable to the MEA. (Note: This percentage was determined by ABC, Inc. using Worksheet II when ABC's S corporation return (Form 100S) was prepared.) Ray divides his time equally (50%/50%) between the two offices of ABC, Inc.

Mary Smith (Ray's spouse) works for ABC, Inc. at its office located in the MEA.

Ray and Mary Smith have the following 1998 items of California income and expense:

Ray's salary from ABC, Inc.	\$100,000
Mary's salary from ABC, Inc.	75,000
Interest on savings account	1,000
Dividends	3,000
Schedule K-1(100S) from ABC, Inc.:	
Ordinary income	40,000
MEA business expense deduction	(5,000)*
Ray's unreimbursed employee expenses from Schedule A	(2,000)

*The MEA business expense deduction is a separately stated item on Schedule K-1 (100S), line 8.

The Smith's MEA income (total amount to be reported on line 3) is computed as follows:

Ray's MEA salary ($\$100,000 \times 50\%$)	\$50,000
Mary's MEA salary ($\$75,000 \times 100\%$)	75,000
Pass-through ordinary income from ABC, Inc. ($\$40,000 \times 80\%$)	32,000
MEA business expense deduction from ABC, Inc.	(5,000)
Ray's unreimbursed employee business expenses ($\$2,000 \times 50\%$)	(1,000)
Total MEA income (Worksheet III, Part I, line 3)	\$151,000

Note: The standard deduction and personal or dependency exemptions are not included in the computation of MEA income since they are not related to trade or business activities.

Ray and Mary must compute the tax (to be entered on Worksheet III, Part I, line 4a) on the total MEA income of \$151,000 (as if it represents all of their income). Using the tax rate schedule in their tax booklet for filing status married filing joint, the 1998 tax figured on \$151,000 is \$10,745.

Line 4b – Corporations and S corporations: If the amount on line 4b is the minimum franchise tax (\$800), you cannot use your MEA credits this year. You should complete Part IV of the worksheet to figure the amount of credit carryover.

Part II

Use Part II if you are a corporation, individual, estate or trust. Corporations and S corporations that are subject to paying only the minimum franchise tax, go to Part IV.

Line 6A, column (e) – Enter the amount from line 5. This is the amount of limitation based on the tax on MEA business income.

Line 6A, column (f) – Enter the amount of credit that is used on Schedule P (100, 540, 540NR or 541), column (b). The amount cannot be greater than the amount on line 6A, column (e) or the amount computed on line 6B, column (d). Enter this amount on form FTB 3808, Side 1, line 1.

Line 6B, column (b) – Enter the amount of the current year credit that was computed on Worksheet I.

Line 6B, column (d) – Enter the amount of the current year credit from line 6B, column (b).

Line 6B, column (e) – Compare the amounts on line 6A, column (e) and line 6A, column (f). Enter the smaller amount.

Line 6B, column (g) – Subtract the amount on line 6B, column (e) from the amount on line 6B, column (d). Enter the result on line 6B, column (g). This is the amount of credit that can be carried over to future years. **Note:** This carryover includes both the Schedule P (100, 540, 540NR or 541) limitation and the limitation based on MEA business income.

Example: Part II

Note: This example is provided for informational purposes only. Generally, the carryover amount in column (c) is not available for the 1998 taxable or income year.

The ABC Business has \$8,000 of tax. The business computed a credit limitation based on MEA income of \$7,000 on Worksheet III, line 5. The business has the following credits:

Hiring credit — \$500 and a \$300 carryover from a prior year

Worksheet III, Part II would be computed as follows:

Part II Limitation of Credits for Corporations, Individuals and Estates and Trusts

(a) Credit name		(b) Credit amount	(c) Total prior year carryover	(d) Total credit (add col. (b) and col. (c))	(e) Limitation based on MEA business income	(f) Used on Schedule P (can never be greater than col. (d) or col. (e))	(g) Carryover (col. (d) minus col. (e))
6	A				7,000	800	
	B	500	300	800	800		-0-

Part III

Use Part III only if you are an S corporation.

Line 7, column (b) – Enter the credit computed this year from Worksheet I. Also, enter this amount on Form 100S:

- Schedule C, line 4; and
- Schedule K, line 13.

You may need to adjust your Schedule C (100S) to reflect the MEA tax limitation (Part I, line 5) on your credit after completing this worksheet.

Line 7, column (c) – Multiply the amount on line 7, column (b) by 1/3. Enter this amount in column (c). The amount in column (c) is the

maximum amount of the current year credit that may be used by the S corporation to offset its 1.5% entity-level tax (3.5% for financial S corporations).

Line 7, column (e) – Enter the amount of the current year credit from column (c).

Line 7, column (f) – Enter the amount of credit that was used by the S corporation in the current year to offset its 1.5% entity-level tax (3.5% for financial S corporations). Enter this amount on form FTB 3808, Side 1, line 1.

Line 7, column (g) – Subtract the amount in column (f) from the amount in column (e). This is

the amount of credit that can be carried over to future years and used by the S corporation.

Part IV

Use Part IV if you are a corporation or S corporation subject to paying only the minimum franchise tax.

Line 8, column (b) – Enter the amount of current year credit that was computed on Worksheet I. **S corporations** may only enter 1/3 of the amounts from Worksheet I.

Line 8, column (d) – Enter the amount from column (b). This is the amount of credit that can be carried over to future years.

FTB 3808

Codes for Principal Business Activity

This list of principal business activities and their associated codes is designed to classify a business by the type of activity in which it is engaged to facilitate the administration of the California Revenue and Taxation Code. For taxable or income years beginning on or after January 1, 1998, these principal business activity codes are based on the North American Industry Classification System.

Agriculture, Forestry, Fishing and Hunting

Code

Crop Production

111100	Oilseed & Grain Farming
111210	Vegetable & Melon Farming (including potatoes & yams)
111300	Fruit & Tree Nut Farming
111400	Greenhouse, Nursery, & Floriculture Production
111900	Other Crop Farming (including tobacco, cotton, sugarcane, hay, peanut, sugar beet & all other crop farming)

Animal Production

112111	Beef Cattle Ranching & Farming
112112	Cattle Feedlots
112120	Dairy Cattle & Milk Production
112210	Hog & Pig Farming
112300	Poultry & Egg Production
112400	Sheep & Goat Farming
112510	Animal Aquaculture (including shellfish & finfish farms & hatcheries)
112900	Other Animal Production

Forestry and Logging

113110	Timber Tract Operations
113210	Forest Nurseries & Gathering of Forest Products
113310	Logging

Fishing, Hunting and Trapping

114110	Fishing
114210	Hunting & Trapping

Support Activities for Agriculture and Forestry

115110	Support Activities for Crop Production (including cotton ginning, soil preparation, planting, & cultivating)
115210	Support Activities for Animal Production
115310	Support Activities For Forestry

Mining

211110	Oil & Gas Extraction
212110	Coal Mining
212200	Metal Ore Mining
212310	Stone Mining & Quarrying
212320	Sand, Gravel, Clay, & Ceramic & Refractory Minerals Mining & Quarrying
212390	Other Nonmetallic Mineral Mining & Quarrying
213110	Support Activities for Mining

Utilities

221100	Electric Power Generation, Transmission & Distribution
221210	Natural Gas Distribution
221300	Water, Sewage & Other Systems

Construction

Code

Building, Developing, and General Contracting

233110	Land Subdivision & Land Development
233200	Residential Building Construction
233300	Nonresidential Building Construction

Heavy Construction

234100	Highway, Street, Bridge, & Tunnel Construction
234900	Other Heavy Construction

Special Trade Contractors

235110	Plumbing, Heating, & Air-Conditioning Contractors
235210	Painting & Wall Covering Contractors
235310	Electrical Contractors
235400	Masonry, Drywall, Insulation, & Tile Contractors
235500	Carpentry & Floor Contractors
235610	Roofing, Siding, & Sheet Metal Contractors
235710	Concrete Contractors
235810	Water Well Drilling Contractors
235900	Other Special Trade Contractors

Manufacturing

Food Manufacturing

311110	Animal Food Mfg
311200	Grain & Oilseed Milling
311300	Sugar & Confectionery Product Mfg
311400	Fruit & Vegetable Preserving & Specialty Food Mfg
311500	Dairy Product Mfg
311610	Animal Slaughtering and Processing
311710	Seafood Product Preparation & Packaging
311800	Bakeries & Tortilla Mfg
311900	Other Food Mfg (including coffee, tea, flavorings & seasonings)

Beverage and Tobacco Product Manufacturing

312110	Soft Drink & Ice Mfg
312120	Breweries
312130	Wineries
312140	Distilleries
312200	Tobacco Manufacturing

Textile Mills and Textile Product Mills

313000	Textile Mills
314000	Textile Product Mills

Apparel Manufacturing

315100	Apparel Knitting Mills
315210	Cut & Sew Apparel Contractors
315220	Men's & Boys' Cut & Sew Apparel Mfg

Code

315230	Women's & Girls' Cut & Sew Apparel Mfg
315290	Other Cut & Sew Apparel Mfg
315990	Apparel Accessories & Other Apparel Mfg

Leather and Allied Product Manufacturing

316110	Leather & Hide Tanning & Finishing
316210	Footwear Mfg (including rubber & plastics)
316990	Other Leather & Allied Product Mfg

Wood Product Manufacturing

321110	Sawmills & Wood Preservation
321210	Veneer, Plywood, & Engineered Wood Product Mfg
321900	Other Wood Product Mfg

Paper Manufacturing

322100	Pulp, Paper, & Paperboard Mills
322200	Converted Paper Product Mfg

Printing and Related Support Activities

323100	Printing & Related Support Activities
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Petroleum and Coal Products Manufacturing

324110	Petroleum Refineries (including integrated)
324120	Asphalt Paving, Roofing, & Saturated Materials Mfg
324190	Other Petroleum & Coal Products Mfg

Chemical Manufacturing

325100	Basic Chemical Mfg
325200	Resin, Synthetic Rubber, & Artificial & Synthetic Fibers & Filaments Mfg
325300	Pesticide, Fertilizer, & Other Agricultural Chemical Mfg
325410	Pharmaceutical & Medicine Mfg
325500	Paint, Coating, & Adhesive Mfg
325600	Soap, Cleaning Compound, & Toilet Preparation Mfg
325900	Other Chemical Product & Preparation Mfg

Plastics and Rubber Products Manufacturing

326100	Plastics Product Mfg
326200	Rubber Product Mfg

Nonmetallic Mineral Product Manufacturing

327100	Clay Product & Refractory Mfg
327210	Glass & Glass Product Mfg
327300	Cement & Concrete Product Mfg
327400	Lime & Gypsum Product Mfg
327900	Other Nonmetallic Mineral Product Mfg

Primary Metal Manufacturing

331110	Iron & Steel Mills & Ferroalloy Mfg
331200	Steel Product Mfg from Purchased Steel
331310	Alumina & Aluminum Production & Processing
331400	Nonferrous Metal (except Aluminum) Production & Processing
331500	Foundries

Fabricated Metal Product Manufacturing

332110	Forging & Stamping
332210	Cutlery & Handtool Mfg
332300	Architectural & Structural Metals Mfg
332400	Boiler, Tank, & Shipping Container Mfg
332510	Hardware Mfg
332610	Spring & Wire Product Mfg
332700	Machine Shops; Turned Product; & Screw, Nut, & Bolt Mfg
332810	Coating, Engraving, Heat Treating, & Allied Activities

Code

332900	Other Fabricated Metal Product Mfg
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Machinery Manufacturing

333100	Agriculture, Construction, & Mining Machinery Mfg
333200	Industrial Machinery Mfg
333310	Commercial & Service Industry Machinery Mfg
333410	Ventilation, Heating, Air-Conditioning, & Commercial Refrigeration Equipment Mfg
333510	Metalworking Machinery Mfg
333610	Engine, Turbine & Power Transmission Equipment Mfg
333900	Other General Purpose Machinery Mfg

Computer and Electronic Product Manufacturing

334110	Computer & Peripheral Equipment Mfg
334200	Communications Equipment Mfg
334310	Audio & Video Equipment Mfg
334410	Semiconductor & Other Electronic Component Mfg
334500	Navigational, Measuring, Electromedical, & Control Instruments Mfg
334610	Manufacturing & Reproducing Magnetic & Optical Media

Electrical Equipment, Appliance, and Component Manufacturing

335100	Electric Lighting Equipment Mfg
335200	Household Appliance Mfg
335310	Electrical Equipment Mfg
335900	Other Electrical Equipment & Component Mfg

Transportation Equipment Manufacturing

336100	Motor Vehicle Mfg
336210	Motor Vehicle Body & Trailer Mfg
336300	Motor Vehicle Parts Mfg
336410	Aerospace Product & Parts Mfg
336510	Railroad Rolling Stock Mfg
336610	Ship & Boat Building
336990	Other Transportation Equipment Mfg

Furniture and Related Product Manufacturing

337000	Furniture & Related Product Manufacturing
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Miscellaneous Manufacturing

339110	Medical Equipment & Supplies Mfg
339900	Other Miscellaneous Manufacturing

Wholesale Trade

Wholesale Trade, Durable Goods

421100	Motor Vehicle & Motor Vehicle Parts & Supplies Wholesalers
421200	Furniture & Home Furnishing Wholesalers
421300	Lumber & Other Construction Materials Wholesalers
421400	Professional & Commercial Equipment & Supplies Wholesalers
421500	Metal & Mineral (except Petroleum) Wholesalers
421600	Electrical Goods Wholesalers
421700	Hardware, & Plumbing & Heating Equipment & Supplies Wholesalers
421800	Machinery, Equipment, & Supplies Wholesalers
421910	Sporting & Recreational Goods & Supplies Wholesalers
421920	Toy & Hobby Goods & Supplies Wholesalers
421930	Recyclable Material Wholesalers
421940	Jewelry, Watch, Precious Stone, & Precious Metal Wholesalers
421990	Other Miscellaneous Durable Goods Wholesalers

Code Wholesale Trade, Nondurable Goods 422100 Paper & Paper Product Wholesalers 422210 Drugs & Druggists' Sundries Wholesalers 422300 Apparel, Piece Goods, & Notions Wholesalers 422400 Grocery & Related Product Wholesalers 422500 Farm Product Raw Material Wholesalers 422600 Chemical & Allied Products Wholesalers 422700 Petroleum & Petroleum Products Wholesalers 422800 Beer, Wine, & Distilled Alcoholic Beverage Wholesalers 422910 Farm Supplies Wholesalers 422920 Book, Periodical, & Newspaper Wholesalers 422930 Flower, Nursery Stock, & Florists' Supplies Wholesalers 422940 Tobacco & Tobacco Product Wholesalers 422950 Paint, Varnish, & Supplies Wholesalers 422990 Other Miscellaneous Nondurable Goods Wholesalers	Code Clothing and Clothing Accessories Stores 448110 Men's Clothing Stores 448120 Women's Clothing Stores 448130 Children's & Infants' Clothing Stores 448140 Family Clothing Stores 448150 Clothing Accessories Stores 448190 Other Clothing Stores 448210 Shoe Stores 448310 Jewelry Stores 448320 Luggage & Leather Goods Stores Sporting Goods, Hobby, Book, and Music Stores 451110 Sporting Goods Stores 451120 Hobby, Toy, & Game Stores 451130 Sewing, Needlework, & Piece Goods Stores 451140 Musical Instrument & Supplies Stores 451211 Book Stores 451212 News Dealers & Newsstands 451220 Prerecorded Tape, Compact Disc, & Record Stores General Merchandise Stores 452110 Department stores 452900 Other General Merchandise Stores	Code Support Activities for Transportation 488100 Support Activities for Air Transportation 488210 Support Activities for Rail Transportation 488300 Support Activities for Water Transportation 488410 Motor Vehicle Towing 488490 Other Support Activities for Road Transportation 488510 Freight Transportation Arrangement 488990 Other Support Activities for Transportation Couriers and Messengers 492110 Couriers 492210 Local Messengers & Local Delivery Warehousing and Storage 493100 Warehousing & Storage (except lessors of miniwarehouses & self-storage units)	Code 523210 Securities & Commodity Exchanges 523900 Other Financial Investment Activities (including portfolio management & investment advice) Insurance Carriers and Related Activities 524140 Direct Life, Health, & Medical Insurance & Reinsurance Carriers 524150 Direct Insurance & Reinsurance (except Life, Health & Medical) Carriers 524210 Insurance Agencies & Brokerages 524290 Other Insurance Related Activities Funds, Trusts, and Other Financial Vehicles 525100 Insurance & Employee Benefit Funds 525910 Open-End Investment Funds (Form 1120-RIC) 525920 Trusts, Estates, & Agency Accounts 525930 Real Estate Investment Trusts (Form 1120-REIT) 525990 Other Financial Vehicles
Retail Trade Motor Vehicle and Parts Dealers 441110 New Car Dealers 441120 Used Car Dealers 441210 Recreational Vehicle Dealers 441221 Motorcycle Dealers 441222 Boat Dealers 441229 All Other Motor Vehicle Dealers 441300 Automotive Parts, Accessories, & Tire Stores Furniture and Home Furnishings Stores 442110 Furniture Stores 442210 Floor Covering Stores 442291 Window Treatment Stores 442299 All Other Home Furnishings Stores Electronics and Appliance Stores 443111 Household Appliance Stores 443112 Radio, Television, & Other Electronics Stores 443120 Computer & Software Stores 443130 Camera & Photographic Supplies Stores Building Material and Garden Equipment and Supplies Dealers 444110 Home Centers 444120 Paint & Wallpaper Stores 444130 Hardware Stores 444190 Other Building Material Dealers 444200 Lawn & Garden Equipment & Supplies Stores	Miscellaneous Store Retailers 453110 Florists 453210 Office Supplies & Stationery Stores 453220 Gift, Novelty, & Souvenir Stores 453310 Used Merchandise Stores 453910 Pet & Pet Supplies Stores 453920 Art Dealers 453930 Manufactured (Mobile) Home Dealers 453990 All Other Miscellaneous Store Retailers (including tobacco, candle, & trophy shops) Nonstore Retailers 454110 Electronic Shopping & Mail-Order Houses 454210 Vending Machine Operators 454311 Heating Oil Dealers 454312 Liquefied Petroleum Gas (Bottled Gas) Dealers 454319 Other Fuel Dealers 454390 Other Direct Selling Establishments (including door-to-door retailing, frozen food plan providers, party plan merchandisers, & coffee-break service providers)	Information Publishing Industries 511110 Newspaper Publishers 511120 Periodical Publishers 511130 Book Publishers 511140 Database & Directory Publishers 511190 Other Publishers 511210 Software Publishers Motion Picture and Sound Recording Industries 512100 Motion Picture & Video Industries (except video rental) 512200 Sound Recording Industries Broadcasting and Telecommunications 513100 Radio & Television Broadcasting 513200 Cable Networks & Program Distribution 513300 Telecommunications (including paging, cellular, satellite, & other telecommunications) Information Services and Data Processing Services 514100 Information Services (including news syndicates, libraries, & on-line information services) 514210 Data Processing Services	Real Estate and Rental and Leasing Real Estate 531110 Lessors of Residential Buildings & Dwellings 531120 Lessors of Nonresidential Buildings (except Miniwarehouses) 531130 Lessors of Miniwarehouses & Self-Storage Units 531190 Lessors of Other Real Estate Property 531210 Offices of Real Estate Agents & Brokers 531310 Real Estate Property Managers 531320 Offices of Real Estate Appraisers 531390 Other Activities Related to Real Estate Rental and Leasing Services 532100 Automotive Equipment Rental & Leasing 532210 Consumer Electronics & Appliances Rental 532220 Formal Wear & Costume Rental 532230 Video Tape & Disc Rental 532290 Other Consumer Goods Rental 532310 General Rental Centers 532400 Commercial & Industrial Machinery & Equipment Rental & Leasing Lessors of Nonfinancial Intangible Assets (except copyrighted works) 533110 Lessors of Nonfinancial Intangible Assets (except copyrighted works)
Food and Beverage Stores 445110 Supermarkets and Other Grocery (except Convenience) Stores 445120 Convenience Stores 445210 Meat Markets 445220 Fish & Seafood Markets 445230 Fruit & Vegetable Markets 445291 Baked Goods Stores 445292 Confectionery & Nut Stores 445299 All Other Specialty Food Stores 445310 Beer, Wine, & Liquor Stores Health and Personal Care Stores 446110 Pharmacies & Drug Stores 446120 Cosmetics, Beauty Supplies, & Perfume Stores 446130 Optical Goods Stores 446190 Other Health & Personal Care Stores Gasoline Stations 447100 Gasoline Stations (including convenience stores with gas)	Transportation and Warehousing Air, Rail, and Water Transportation 481000 Air Transportation 482110 Rail Transportation 483000 Water Transportation Truck Transportation 484110 General Freight Trucking, Local 484120 General Freight Trucking, Long-distance 484200 Specialized Freight Trucking Transit and Ground Passenger Transportation 485110 Urban Transit Systems 485210 Interurban & Rural Bus Transportation 485310 Taxi Service 485320 Limousine Service 485410 School & Employee Bus Transportation 485510 Charter Bus Industry 485990 Other Transit & Ground Passenger Transportation Pipeline Transportation 486000 Pipeline Transportation Scenic & Sightseeing Transportation 487000 Scenic & Sightseeing Transportation	Finance and Insurance Depository Credit Intermediation 522110 Commercial Banking 522120 Savings Institutions 522130 Credit Unions 522190 Other Depository Credit Intermediation Nondepository Credit Intermediation 522210 Credit Card Issuing 522220 Sales Financing 522291 Consumer Lending 522292 Real Estate Credit (including mortgage bankers & originators) 522293 International Trade Financing 522294 Secondary Market Financing 522298 All Other Nondepository Credit Intermediation Activities Related to Credit Intermediation 522300 Activities Related to Credit Intermediation (including loan brokers) Securities, Commodity Contracts, and Other Financial Investments and Related Activities 523110 Investment Banking & Securities Dealing 523120 Securities Brokerage 523130 Commodity Contracts Dealing 523140 Commodity Contracts Brokerage	Professional, Scientific, and Technical Services Legal Services 541110 Offices of Lawyers 541190 Other Legal Services Accounting, Tax Preparation, Bookkeeping, and Payroll Services 541211 Offices of Certified Public Accountants 541213 Tax Preparation Services 541214 Payroll Services 541219 Other Accounting Services Architectural, Engineering, and Related Services 541310 Architectural Services 541320 Landscape Architecture Services 541330 Engineering Services 541340 Drafting Services 541350 Building Inspection Services

<p>Code</p> <p>541360 Geophysical Surveying & Mapping Services</p> <p>541370 Surveying & Mapping (except Geophysical) Services</p> <p>541380 Testing Laboratories</p> <p>Specialized Design Services</p> <p>541400 Specialized Design Services (including interior, industrial, graphic, & fashion design)</p> <p>Computer Systems Design and Related Services</p> <p>541511 Custom Computer Programming Services</p> <p>541512 Computer Systems Design Services</p> <p>541513 Computer Facilities Management Services</p> <p>541519 Other Computer Related Services</p> <p>Other Professional, Scientific, and Technical Services</p> <p>541600 Management, Scientific, & Technical Consulting Services</p> <p>541700 Scientific Research & Development Services</p> <p>541800 Advertising & Related Services</p> <p>541910 Marketing Research & Public Opinion Polling</p> <p>541920 Photographic Services</p> <p>541930 Translation & Interpretation Services</p> <p>541940 Veterinary Services</p> <p>541990 All Other Professional, Scientific, & Technical Services</p>	<p>Code</p> <p>561500 Travel Arrangement & Reservation Services</p> <p>561600 Investigation & Security Services</p> <p>561710 Exterminating & Pest Control Services</p> <p>561720 Janitorial Services</p> <p>561730 Landscaping Services</p> <p>561740 Carpet & Upholstery Cleaning Services</p> <p>561790 Other Services to Buildings & Dwellings</p> <p>561900 Other Support Services (including packaging & labeling services, & convention & trade show organizers)</p> <p>Waste Management and Remediation Services</p> <p>562000 Waste Management & Remediation Services</p> <p>Educational Services</p> <p>611000 Educational Services (including schools, colleges, & universities)</p> <p>Health Care and Social Assistance</p> <p>Offices of Physicians and Dentists</p> <p>621111 Offices of Physicians (except mental health specialists)</p> <p>621112 Offices of Physicians, Mental Health Specialists</p> <p>621210 Offices of Dentists</p> <p>Offices of Other Health Practitioners</p> <p>621310 Offices of Chiropractors</p> <p>621320 Offices of Optometrists</p> <p>621330 Offices of Mental Health Practitioners (except Physicians)</p> <p>621340 Offices of Physical, Occupational & Speech Therapists, & Audiologists</p> <p>621391 Offices of Podiatrists</p> <p>621399 Offices of All Other Miscellaneous Health Practitioners</p> <p>Outpatient Care Centers</p> <p>621410 Family Planning Centers</p> <p>621420 Outpatient Mental Health & Substance Abuse Centers</p> <p>621491 HMO Medical Centers</p> <p>621492 Kidney Dialysis Centers</p> <p>621493 Freestanding Ambulatory Surgical & Emergency Centers</p> <p>621498 All Other Outpatient Care Centers</p> <p>Medical and Diagnostic Laboratories</p> <p>621510 Medical & Diagnostic Laboratories</p> <p>Home Health Care Services</p> <p>621610 Home Health Care Services</p>	<p>Code</p> <p>Other Ambulatory Health Care Services</p> <p>621900 Other Ambulatory Health Care Services (including ambulance services & blood & organ banks)</p> <p>Hospitals</p> <p>622000 Hospitals</p> <p>Nursing and Residential Care Facilities</p> <p>623000 Nursing & Residential Care Facilities</p> <p>Social Assistance</p> <p>624100 Individual & Family Services</p> <p>624200 Community Food & Housing, & Emergency & Other Relief Services</p> <p>624310 Vocational Rehabilitation Services</p> <p>624410 Child Day Care Services</p> <p>Arts, Entertainment, and Recreation</p> <p>Performing Arts, Spectator Sports, and Related Industries</p> <p>711100 Performing Arts Companies</p> <p>711210 Spectator Sports (including sports clubs & racetracks)</p> <p>711300 Promoters of Performing Arts, Sports, & Similar Events</p> <p>711410 Agents & Managers for Artists, Athletes, Entertainers, & Other Public Figures</p> <p>711510 Independent Artists, Writers, & Performers</p> <p>Museums, Historical Sites, and Similar Institutions</p> <p>712100 Museums, Historical Sites, & Similar Institutions</p> <p>Amusement, Gambling, and Recreation Industries</p> <p>713100 Amusement Parks & Arcades</p> <p>713200 Gambling Industries</p> <p>713900 Other Amusement & Recreation Industries (including golf courses, skiing facilities, marinas, fitness centers, & bowling centers)</p>	<p>Code</p> <p>Food Services and Drinking Places</p> <p>722110 Full-Service Restaurants</p> <p>722210 Limited-Service Eating Places</p> <p>722300 Special Food Services (including food service contractors & caterers)</p> <p>722410 Drinking Places (Alcoholic Beverages)</p> <p>Other Services</p> <p>Repair and Maintenance</p> <p>811110 Automotive Mechanical & Electrical Repair & Maintenance</p> <p>811120 Automotive Body, Paint, Interior, & Glass Repair</p> <p>811190 Other Automotive Repair & Maintenance (including oil change & lubrication shops & car washes)</p> <p>811210 Electronic & Precision Equipment Repair & Maintenance</p> <p>811310 Commercial & Industrial Machinery & Equipment (except Automotive & Electronic) Repair & Maintenance</p> <p>811410 Home & Garden Equipment & Appliance Repair & Maintenance</p> <p>811420 Reupholstery & Furniture Repair</p> <p>811430 Footwear & Leather Goods Repair</p> <p>811490 Other Personal & Household Goods Repair & Maintenance</p> <p>Personal and Laundry Services</p> <p>812111 Barber Shops</p> <p>812112 Beauty Salons</p> <p>812113 Nail Salons</p> <p>812190 Other Personal Care Services (including diet & weight reducing centers)</p> <p>812210 Funeral Homes & Funeral Services</p> <p>812220 Cemeteries & Crematories</p> <p>812310 Coin-Operated Laundries & Drycleaners</p> <p>812320 Drycleaning & Laundry Services (except Coin-Operated)</p> <p>812330 Linen & Uniform Supply</p> <p>812910 Pet Care (except Veterinary) Services</p> <p>812920 Photofinishing</p> <p>812930 Parking Lots & Garages</p> <p>812990 All Other Personal Services</p> <p>Religious, Grantmaking, Civic, Professional, and Similar Organizations</p> <p>813000 Religious, Grantmaking, Civic, Professional, & Similar Organizations</p>
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1998

Manufacturing Enhancement Area Credit Summary

3808

Attach to your California tax return.

Social security or California corporation number

Name(s) as shown on return

FEIN

A. Check the appropriate box for your entity type:

- ☐ Individual ☐ Estate ☐ Trust ☐ C corporation ☐ S corporation ☐ Partnership
☐ Exempt organization ☐ Limited liability company ☐ Limited liability partnership

B. Enter the name of the Manufacturing Enhancement Area (MEA) business: _____**C.** Enter the address (actual location) where the MEA business is conducted: _____**D.** Enter the name of the specific area of the MEA in which the business and/or investment activity is located. See General Information C. _____**E.** Principal Business Activity Code number of the MEA business _____

Enter the 6-digit number from the Principal Business Activity Code Chart on pages 11 through 13.

F. Total number of employees in the MEA _____**G.** Number of employees included in the computation of the hiring credit, if claimed _____**H.** Number of new employees included in the computation of the hiring credit, if claimed _____**I.** Gross annual receipts of the business _____**J.** Total asset value of the business _____**Part I Credits Used****1** Hiring credit from Worksheet III, line 6A, column (f) or line 7, column (f) **1** _____**Note:** To figure the amount of credit carryover, complete Worksheet III on Side 2.**Part II Portion of Business Attributable to the Manufacturing Enhancement Area****2** Enter the average apportionment percentage of your business that is in the MEA from Worksheet II, line 4. If your operation is wholly within the MEA, the average apportionment percentage is 100% (1.00) **2** _____**Part III Recapture of Credit****3** MEA recapture of hiring credit from Worksheet I, Section B, line 2, column (b) **3** _____

Worksheet III Computation of Credit Limitations — Manufacturing Enhancement Area (MEA)**Part I Computation of Limitations.** See instructions.

1	Trade or business income. Individuals: Enter the amount from the Income or Loss Worksheet, line 14, column (c) (page 8) on this line and on line 3 (skip line 2). See instructions on page 9. Multistate apportioning corporations: Enter the amount from Schedule R, line 13b for corporations doing business in the area	1	
2	Corporations: Enter the average apportionment percentage from Worksheet II, line 4. See instructions	2	
3	Multiply line 1 by line 2. See instructions	3	
4a	Compute the amount of tax due using the amount on line 3. See instructions.	4a	
4b	Enter the amount of tax from Form 540, line 24; Form 540NR, line 27; Form 541, line 21; Form 100, line 23; Form 100S, line 22 or Form 109, line 7 or line 15. Corporations and S corporations, see instructions.	4b	
5	Enter the smaller of line 4a or line 4b. This is the limitation based on the MEA income. Go to Part II, Part III or Part IV. See instructions.	5	

Part II Limitation of Credits for Corporations, Individuals and Estates and Trusts. See instructions.

	(a) Credit name	(b) Credit amount	(c) Total prior year carryover	(d) Total credit (enter amount from col. (b))	(e) Limitation based on MEA business income	(f) Used on Schedule P (can never be greater than col. (d) or col. (e))	(g) Carryover (col. (d) minus col. (e))
6	Hiring credit	A					
		B					

Part III Limitation of Credits for S Corporations Only. See instructions.

	(a) Credit name	(b) Credit amount	(c) S corporation credit (multiply col. (b) by 1/3)	(d) Total prior year carryover	(e) Total credit (enter amount from col. (c))	(f) Credit used this year by S corporation	(g) Carryover (col. (e) minus col. (f))
7	Hiring credit						

Part IV Limitation of Credits for Corporations and S Corporations Subject to Paying Only the Minimum Franchise Tax. See instructions.

	(a) Credit name	(b) Credit amount	(c) Total prior year carryover	(d) Total credit carryover (enter amount from col. (b))
8	Hiring credit			

1998

Manufacturing Enhancement Area Credit Summary

3808

Attach to your California tax return.

Social security or California corporation number

Name(s) as shown on return

FEIN

A. Check the appropriate box for your entity type:

- ☐ Individual ☐ Estate ☐ Trust ☐ C corporation ☐ S corporation ☐ Partnership
☐ Exempt organization ☐ Limited liability company ☐ Limited liability partnership

B. Enter the name of the Manufacturing Enhancement Area (MEA) business: _____**C.** Enter the address (actual location) where the MEA business is conducted: _____**D.** Enter the name of the specific area of the MEA in which the business and/or investment activity is located. See General Information C. _____**E.** Principal Business Activity Code number of the MEA business _____

Enter the 6-digit number from the Principal Business Activity Code Chart on pages 11 through 13.

F. Total number of employees in the MEA _____**G.** Number of employees included in the computation of the hiring credit, if claimed _____**H.** Number of new employees included in the computation of the hiring credit, if claimed _____**I.** Gross annual receipts of the business _____**J.** Total asset value of the business _____**Part I Credits Used****1** Hiring credit from Worksheet III, line 6A, column (f) or line 7, column (f) **1** _____**Note:** To figure the amount of credit carryover, complete Worksheet III on Side 2.**Part II Portion of Business Attributable to the Manufacturing Enhancement Area****2** Enter the average apportionment percentage of your business that is in the MEA from Worksheet II, line 4. If your operation is wholly within the MEA, the average apportionment percentage is 100% (1.00) **2** _____**Part III Recapture of Credit****3** MEA recapture of hiring credit from Worksheet I, Section B, line 2, column (b) **3** _____

Worksheet III Computation of Credit Limitations — Manufacturing Enhancement Area (MEA)**Part I Computation of Limitations.** See instructions.

1	Trade or business income. Individuals: Enter the amount from the Income or Loss Worksheet, line 14, column (c) (page 8) on this line and on line 3 (skip line 2). See instructions on page 9. Multistate apportioning corporations: Enter the amount from Schedule R, line 13b for corporations doing business in the area	1	
2	Corporations: Enter the average apportionment percentage from Worksheet II, line 4. See instructions	2	
3	Multiply line 1 by line 2. See instructions	3	
4a	Compute the amount of tax due using the amount on line 3. See instructions.	4a	
4b	Enter the amount of tax from Form 540, line 24; Form 540NR, line 27; Form 541, line 21; Form 100, line 23; Form 100S, line 22 or Form 109, line 7 or line 15. Corporations and S corporations, see instructions.	4b	
5	Enter the smaller of line 4a or line 4b. This is the limitation based on the MEA income. Go to Part II, Part III or Part IV. See instructions.	5	

Part II Limitation of Credits for Corporations, Individuals and Estates and Trusts. See instructions.

	(a) Credit name	(b) Credit amount	(c) Total prior year carryover	(d) Total credit (enter amount from col. (b))	(e) Limitation based on MEA business income	(f) Used on Schedule P (can never be greater than col. (d) or col. (e))	(g) Carryover (col. (d) minus col. (e))
6	Hiring credit	A					
		B					

Part III Limitation of Credits for S Corporations Only. See instructions.

	(a) Credit name	(b) Credit amount	(c) S corporation credit (multiply col. (b) by 1/3)	(d) Total prior year carryover	(e) Total credit (enter amount from col. (c))	(f) Credit used this year by S corporation	(g) Carryover (col. (e) minus col. (f))
7	Hiring credit						

Part IV Limitation of Credits for Corporations and S Corporations Subject to Paying Only the Minimum Franchise Tax. See instructions.

	(a) Credit name	(b) Credit amount	(c) Total prior year carryover	(d) Total credit carryover (enter amount from col. (b))
8	Hiring credit			

How to Get California Tax Information

(Keep This Page For Future Use)

General Toll-Free Phone Service

Between January 4 – April 15, 1999, our general toll-free phone service is available:

- Monday – Friday, 6 a.m. until midnight; and
- Saturday, 8 a.m. until 5 p.m.

After April 15, 1999, our general toll-free phone service is available:

- Monday – Friday, 7 a.m. until 8 p.m.

The best times to call are before 10 a.m. and after 6 p.m. Times of day are Pacific Standard Time (PST).

From within the
United States, (800) 852-5711
From outside the
United States, (916) 845-6500
(not toll-free)

For hearing impaired
with TDD (800) 822-6268
For federal tax questions,
call the IRS at (800) 829-1040

Asistencia Bilingüe en Español

Para obtener servicios en Español y asistencia para completar su declaración de impuestos/formularios, llame al número de teléfono (anotado arriba) que le corresponde.

Letters

We can serve you by phone if you call us for information to complete your California tax return and its related forms. However, you may want to write to us if you are replying to a notice we sent you or to get a written reply.

If you write, be sure your letter includes your FEIN or social security number, your daytime and evening telephone numbers and a copy of the notice. Send your letter to:

RESOURCE DEVELOPMENT SECTION
FRANCHISE TAX BOARD
PO BOX 1468
SACRAMENTO CA 95812-1468

We will respond to your letter within 6 to 8 weeks. In some cases, we may need to call you for additional information.

Geographic Boundaries

Further information about geographic boundaries of the MEA is available from:

ENTERPRISE ZONE PROGRAMS
CA TRADE AND COMMERCE AGENCY
801 K STREET SUITE 1700
SACRAMENTO CA 95814
Telephone: (916) 324-8211
FAX: (916) 322-7214

Economic Development Area Information

Further information about the MEA tax incentive is available from:

FRANCHISE TAX BOARD
ECONOMIC DEVELOPMENT AREA
INFORMATION
Telephone: (916) 845-3464
FAX: (916) 845-0415

Where to Get Income Tax Forms

By Internet – If you have Internet access, you may download, view and print 1994 through 1998 California tax forms and publications. Our Internet address is:
<http://www.ftb.ca.gov>

By phone – Use F.A.S.T. to order 1996, 1997 and 1998 California personal income tax forms, 1998 California corporate tax forms and 1998 federal forms. To order a form:

- Refer to the list in your tax booklet and find the code number for the form you want to order.
- Call (800) 338-0505 and follow the instructions.

Please allow 2 weeks to receive your order. If you live outside California, please allow 3 weeks to receive your order.

In person – Most libraries, post offices and banks provide free California personal income tax booklets during the filing season. Many libraries and some quick print businesses have forms and schedules for you to photocopy (you may have to pay a nominal fee). Note that employees at libraries, post offices, banks and quick print businesses cannot provide tax information or assistance. The LARZ, LAMBRA, MEA and TTA Business Booklets are only available at our field offices. For the location of these offices see the "Field Offices" section on this page.

By mail – Write to:

TAX FORMS REQUEST UNIT
FRANCHISE TAX BOARD
PO BOX 307
RANCHO CORDOVA CA 95741-0307

Your Rights as a Taxpayer

Our goal at the Franchise Tax Board (FTB) is to make certain that your rights are protected so that you will have the highest confidence in the integrity, efficiency and fairness of our state tax system. FTB Publication 4058, California Taxpayers' Bill of Rights, includes information on your rights as a California taxpayer, the Taxpayers' Rights Advocate Program and how you can request written advice from the FTB on whether a particular transaction is taxable. See "Where to Get Income Tax Forms" on this page for how to get this publication.

Field Offices

You can get information, California tax forms and resolve problems on your account if you visit one of our field offices.

Field Offices	Address
Bakersfield	1800 30th St, Ste 370
Burbank	333 N Glenoaks Blvd, Ste 200
Fresno	2550 Mariposa St, Rm 3002
Long Beach	4300 Long Beach Blvd, Ste 700B
Los Angeles	300 S Spring St, Ste 5704
Oakland	1515 Clay St, #3N-305
Sacramento	3321 Power Inn Road Ste 250
San Bernardino	464 W 4th St, Ste 454B
San Diego	5353 Mission Ctr Rd, Ste 314
San Francisco	455 Golden Gate Ave, Ste 7400
San Jose	96 N Third St, 4th Fl
Santa Ana	600 W Santa Ana Blvd, Ste 300
Santa Rosa	50 D St, Rm 130
Stockton	31 East Channel St, Rm 219
Ventura	4820 McGrath St, Ste 270
West Covina	100 N Barranca St, Ste 600

Out of State Field Offices

Chicago	1 N. Franklin, Ste 400 Chicago, IL 60606-3401
Long Island	1325 Franklin Ave, Ste 560 Garden City, NY 11530-1631
Houston	1415 Louisiana, Ste 1515 Houston, TX 77002-7351
Manhattan	1212 Ave of the Americas, 4th Fl New York, NY 10036-1601



F.A.S.T. Toll-Free Phone Service

(Keep This Page For Future Use)

Call Fast Answers about State Taxes, the F.A.S.T. toll-free phone service you can use to:

- Find out about your current year tax refund;
- Order most California and federal income tax forms; and
- Hear recorded answers to many of your questions about California taxes.

F.A.S.T. is available in English and Spanish to callers with touch-tone telephones.

How To Use F.A.S.T.

Have paper and pencil ready to take notes.

Call from within the

United States (800) 338-0505

Call from outside the

United States (not toll-free) . . . (916) 845-6600

To Find Out About Your Current Year Personal Income Tax Refund

You should wait at least 8 weeks after you file your tax return before you call to find out about your refund. You will need your social security number, the numbers in your street address, box number or route number and your ZIP Code to use this service. Refund status information is available from 6 a.m. until midnight Monday through Friday except state holidays and 6 a.m. until 10 p.m. Saturday and Sunday. Call the F.A.S.T. number, select refund information and follow the recorded instructions.

To Obtain Your Personal Income Tax Balance Due and Payment Information

You should wait at least 45 days from the date you mailed your payment before you call to verify receipt of your payment. You will need your social security number, the numbers in your street address, box number or route number, and your ZIP Code to use this service. Personal income tax balance due and payment information is available from 6 a.m. until midnight Monday through Friday except state holidays and 6 a.m. until 10 p.m. Saturday and Sunday.

To Order Forms

See the instructions for ordering forms on page 19. For personal income tax forms, this service is available from 6 a.m. until midnight Monday through Friday except state holidays and 6 a.m. until 10 p.m. Saturday and Sunday. Corporate tax forms are available from 6 a.m. until 6 p.m. Monday through Friday.

To Hear Answers To Your California Tax Questions

Recorded answers to your tax questions are available 24 hours a day, 7 days a week. To receive answers to any of the following questions, call the F.A.S.T. number, select general tax information and enter the 3-digit code when instructed to do so.

Times of day are Pacific Standard Time (PST).

Personal Income Tax Information

Code – Question

Filing Assistance:

- 100 – Do I need to file a return?
- 111 – Which form should I use?
- 112 – How do I file electronically and get a fast refund?
- 200 – Where can I pick up a form today?
- 201 – How can I get an extension to file?
- 202 – There is no envelope in the booklet. Where do I send my return?
- 203 – What is and how do I qualify for the nonrefundable renter's credit?
- 204 – I never received a Form W-2. What do I do?
- 205 – I have no withholding taken out. What do I do?
- 206 – Do I have to attach a copy of my federal return?
- 207 – Should I file my return even though I do not have the money to pay?
- 208 – How do I figure my estimate tax payments?
- 209 – I lived in California for part of the year. Do I have to file a return?
- 210 – I do not live in California. Why do I have to file a return?

- 211 – How do I figure my IRA deduction?
- 212 – How do I claim my disaster related loss?
- 215 – Who qualifies me to use the head of household filing status?
- 216 – I'm due a refund. Do I still need to file a return?
- 217 – I am currently/was in the military. Do I have to file a California return?
- 218 – I'm in the military. Do I have to use the same filing status as federal?
- 219 – I sold my personal residence. How do I report the sale to California?
- 220 – There is no difference in my state and federal depreciation, business income and capital gain income. What do I do?
- 221 – What is community property?
- 222 – How much can I deduct for vehicle license fees?
- 227 – How do I get a refund of excess SDI?
- 239 – Where can I get help with filing my income tax return?
- 240 – Does a tax return have to be filed for a deceased taxpayer?

Refunds:

- 300 – My spouse has passed away. You sent a refund with both our names on it. What do I do?
- 301 – I got a letter saying you sent my refund to another agency. Why?

Penalties:

- 400 – I have an extension of time to file my return. Why did I get a penalty?
- 401 – I filed my return on time. Why did I get a penalty?
- 402 – How can I protest a penalty?
- 403 – What is the estimate penalty rate?

Notices and Bills:

- 500 – I received a bill and I cannot pay it in full. What do I do?
- 501 – Why didn't you give me credit for my withholding?
- 502 – You didn't give me credit for my dependent. What do I do?
- 504 – I'm head of my house. Why was I denied head of household filing status?
- 505 – Why was my IRA deduction denied?
- 506 – How do I get information about my Form 1099-G?
- 508 – I received a notice that didn't show all payments made. How do I get credit for them?

Tax For Children Under 14:

- 601 – Can my child take a personal exemption credit when I claim her or him as a dependent on my return?
- 602 – Federal law limits the standard deduction. Is the state law the same?

Miscellaneous

- 610 – Can I pay my taxes with a credit card?
- 611 – What address do I send my payment to?
- 612 – I mailed my return and haven't heard anything. Should I send a copy of my return?
- 613 – I forgot to attach my Form(s) W-2 when I mailed my return. What do I do?
- 614 – I forgot to attach a copy of my federal return. What do I do?
- 615 – How do I get a copy of my state tax return?
- 616 – What should I do if my federal tax return was examined and changed by the IRS?
- 617 – What are the current interest rates?
- 619 – How do I report a change of address?

Corporation Franchise and Income Tax Information

Code – Question

Filing Assistance

- 715 – If my actual tax is less than the minimum franchise tax, what figure do I put on line 23 of Form 100?
- 717 – What are the tax rates for corporations?

- 718 – How do I get an extension of time to file?
- 722 – When do I have to file a short-period return?
- 734 – Is my corporation subject to the franchise tax or income tax?

S Corporations

- 704 – Is an S corporation subject to the minimum franchise tax?
- 705 – Are S corporations required to file estimate payments?
- 706 – What forms do S corporations file?
- 707 – The tax for my S corporation is less than the minimum franchise tax. What figure do I put on line 22 of Form 100S?
- 708 – Where do S corporations make adjustments for state and federal law differences on Schedule K-1 (100S) and where do nonresident shareholders find their California source income on their Schedule K-1 (100S)?

Exempt Organizations

- 709 – How do I get tax-exempt status?
- 710 – Does an exempt organization have to file Form 199?
- 735 – How can an exempt organization incorporate without paying corporation fees and costs?
- 736 – I have exempt status. Do I need to file Form 100 or Form 109 in addition to Form 199?

Minimum Tax and Estimate Tax

- 711 – Can I claim my prepayment tax as a credit or estimate payment on my return?
- 712 – What is the minimum franchise tax?
- 714 – My corporation is not doing business; does it have to pay the minimum franchise tax?
- 716 – When are my estimate payments due?

Billings and Miscellaneous Notices

- 723 – I received a bill for \$250. What is this for?
- 728 – Why was my corporation suspended?
- 729 – Why is my subsidiary getting a request for a return when we file a combined report?

Tax Clearance

- 724 – How do I dissolve my corporation?
- 725 – What do I have to do to get a tax clearance?
- 726 – How long will it take to get a tax clearance certificate?
- 727 – My corporation was suspended/forfeited. Can I still get a tax clearance?

Miscellaneous

- 617 – What are the current interest rates?
- 700 – Who do I need to contact to start a business?
- 701 – I need a state ID number for my business. Who do I contact?
- 702 – Can you send me an employer's tax guide?
- 703 – How do I incorporate?
- 719 – How do I properly identify my corporation when dealing with the Franchise Tax Board?
- 720 – How do I obtain information about changing my corporation's name?
- 721 – How do I change my accounting period?
- 737 – Where do I send my payment?
- 738 – What is electronic funds transfer?
- 739 – How do I get a copy of my state corporate tax return?
- 740 – What requirements do I have to report municipal bond interest paid by a state other than California?
- 750 – How do you organize or register an LLC?
- 751 – How do I cancel my registration as an LLC?
- 752 – What tax forms do I use to file as an LLC?
- 758 – If a corporation converted to an LLC during the current year, is the corporation liable for the tax as a corporation and an LLC tax/fee in the same year?